

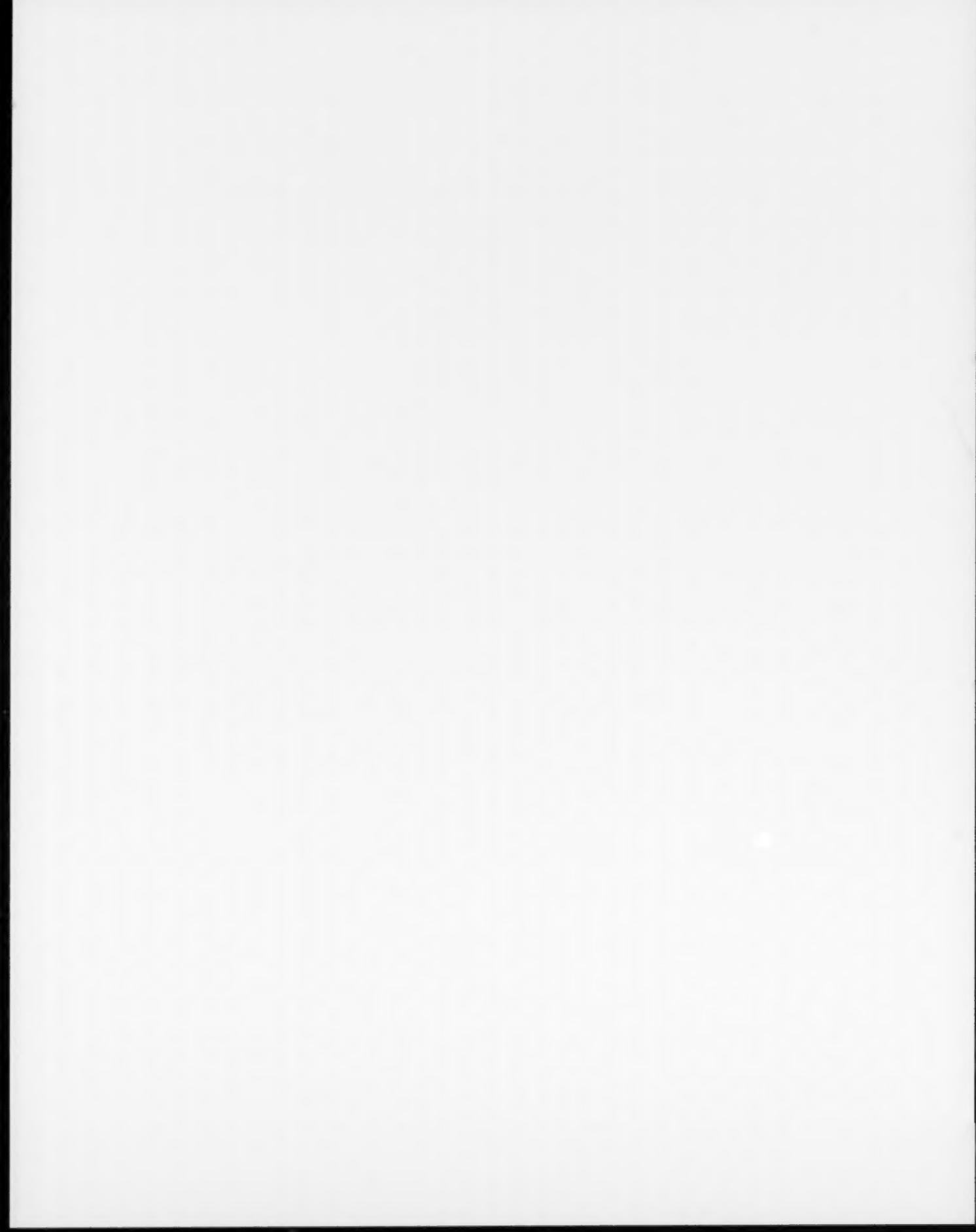
Manitoba Finance

Ministère des Finances

**Annual Report
2012-2013**

**Rapport annuel
2012-2013**

Manitoba 



His Honour the Honourable Philip S. Lee, C.M., O.M.
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg, Manitoba
R3C 0V8

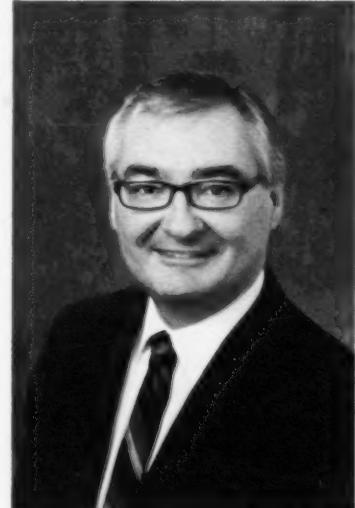
May It Please Your Honour:

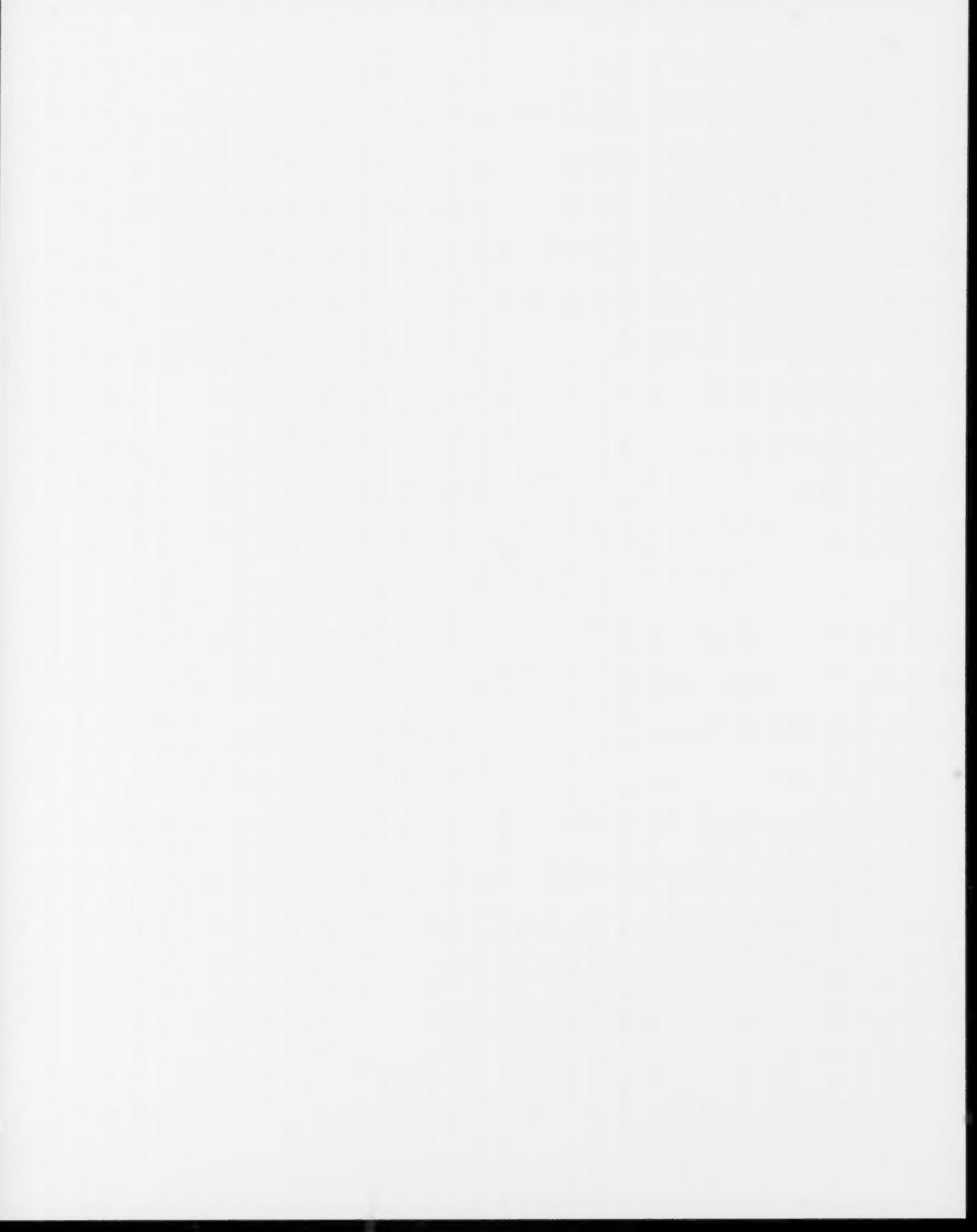
I have the privilege of presenting, for the information of Your Honour, the Annual Report of Manitoba Finance for the year ended March 31, 2013.

Respectfully submitted,

Original signed by Stan Struthers

Honourable Stan Struthers
Minister of Finance





Son Honneur l'honorable Philip S. Lee, C.M., O.M.
Lieutenant-gouverneur du Manitoba
Palais législatif, bureau 235
Winnipeg (Manitoba) R3C 0V8

Monsieur le Lieutenant-gouverneur,

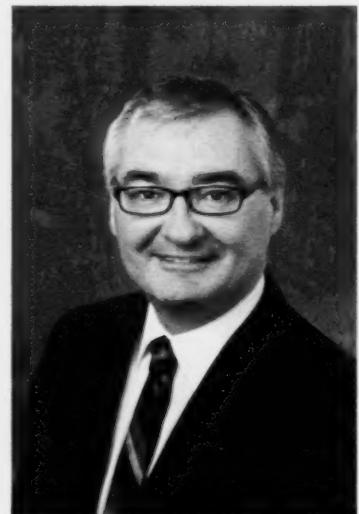
J'ai le privilège de présenter à Votre Honneur, à titre d'information, le rapport annuel du ministère des Finances pour l'année financière terminée le 31 mars 2013.

Je vous prie d'agrérer, Monsieur le Lieutenant-gouverneur, l'expression de mon profond respect.

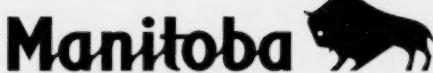
Le ministre des Finances,

Original signé par Stan Struthers

Stan Struthers







Deputy Minister of Finance
Room 109, Legislative Building, Manitoba, Canada R3C 0V8
www.manitoba.ca

Honourable Stan Struthers
Minister of Finance
103 Legislative Building
Winnipeg, Manitoba R3C 0V8

Dear Minister Struthers:

I am pleased to present the Annual Report of Manitoba Finance for the fiscal year ended March 31, 2013 for your consideration.

The report provides a summary of the key results for the five departmental operating divisions, Treasury Board Secretariat, Francophone Affairs Secretariat, Priorities and Planning Committee of Cabinet Secretariat and the Premier's Economic Advisory Council.

Overall, Manitoba Finance achieved performance targets and came in under budget. These targets are based on the different priorities, objectives and actions set out in our 2012 Budget Estimates.

Corporate Services provides executive administration, planning and management of departmental policies, programs and communication. Key results include co-ordinating and supporting the development of the department's annual estimates in accordance with established timetables and accounting policies and a greater alignment of information technology investments with program needs.

The Treasury Division manages and administers provincial financial assets, including the borrowing programs, and all investment and debt management activities of the government. They also manage the borrowing programs and investment activities for all Crown corporations and government agencies, and assists in the arrangement of financing of municipalities, schools and hospitals. Key results include maintaining debt servicing costs at 6 cents for every dollar of revenue, down from 13 cents in 1999. As a result, Manitoba continues to maintain its reputation for fiscal responsibility, having seen incremental credit rating improvements since 2002.

The Comptroller's Division establishes and fosters a corporate comptrollership function for the Manitoba government. This includes the development and operation of financial and management systems in support of legislative and governmental decision making, service delivery effectiveness and accountability requirements. The Province's Summary Financial Statements for the fiscal year ended March 31, 2013 contained in the Annual Public Accounts received an unqualified audit opinion, indicating sound financial management. Key results include 23 new departmental and cross-government audits, conducting approximately 880,000 payroll and vendor payment transactions, as well as issuing the Quarterly Financial Reports and Annual Public Accounts in accordance with established timetables and accounting policies.

The Taxation Division works to efficiently and effectively administer various provincial taxation statutes and ensures revenues are collected as required. For 2012/2013, 99.9 per cent of amounts owing to the province were collected. Key results include measures promoting self-compliance, such as developing or updating informational bulletins for taxpayers, ensuring taxpayer queries were answered in a timely manner, conducting new vendor reviews and ensuring audit and collection programs were effective. The division also participated in joint investigations with other agencies and jurisdictions.

The Taxation, Economic and Intergovernmental Fiscal Research Division undertakes intergovernmental fiscal and policy relations, economic and fiscal analysis, tax policy formulation and management of tax credit programs. Key results include negotiations regarding the renewal of federal transfer arrangements,

which will expire on March 31, 2014, and assisting approximately 500,000 Manitobans who benefit from Manitoba income tax and tax credit programs.

The Financial Institutions Regulation Branch is responsible for the legislative and regulatory framework for the growth and development of co-operatives, credit unions, caisses populaires, and the insurance industry in Manitoba. This branch also assists co-operatives, credit unions and caisses populaires and their members through administration of *The Cooperatives Act* and *The Credit Unions and Caisses Populaires Act*, and provides education to consumers on insurance issues and handles complaints. As of October 1, 2012, the Financial Institutions Regulation Branch became part of the new special operating agency, the Manitoba Financial Services Agency. The following information will reflect activities at the branch from April 1 to September 30, 2012.

Treasury Board Secretariat provides financial and analytical support as well as advice to the Minister of Finance and Treasury Board in fulfilling fiscal management responsibilities. Key results include the tabling of the 2012/2013 Estimates of Expenditure and Revenue along with Budget 2012, providing support to departments to strengthen the government's capacity to measure, monitor and evaluate programs through performance management processes, and negotiation of several collective agreements.

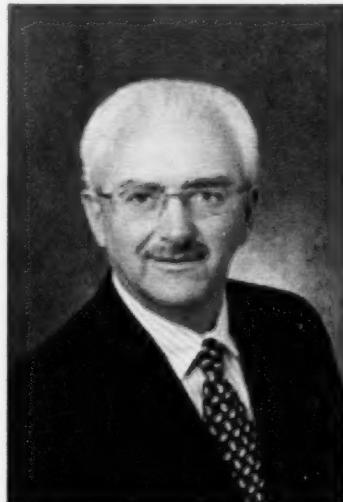
The Francophone Affairs Secretariat provides advice regarding the development of services offered in French and the French Language Services (FLS) policy in general, as well as facilitating the implementation of the province's FLS policy and providing assistance to the administrative bodies covered by the FLS policy. Key results include: *The Bilingual Service Centres Act/Loi sur les centres de services bilingues* receiving royal assent and coming into force on June 14, 2012; this year 2012/2013 marking the 10th Anniversary of the establishment of the first Bilingual Service Centres in rural and urban Manitoba; and negotiating the next five-year Canada-Manitoba Agreement on French Language Services (CMAFLS) with the federal Department of Canadian Heritage.

It is an honour and a privilege to submit this report which provides a summary of the valuable work accomplished by staff across the department.

Respectfully submitted,



John Clarkson
Deputy Minister of Finance





Sous-ministre des Finances

Palais législatif, bureau 109, Winnipeg (Manitoba) R3C 0V8, Canada

www.manitoba.ca

Monsieur Stan Struthers
Ministre des Finances
Palais législatif, bureau 103
Winnipeg (Manitoba) R3C 0V8

Monsieur le Ministre,

J'ai l'honneur de vous présenter le Rapport annuel du ministère des Finances pour l'exercice ayant pris fin le 31 mars 2013.

Le Rapport fournit un résumé des résultats clés des cinq divisions du Ministère, et de ceux du Secrétariat du Conseil du Trésor, du Secrétariat aux affaires francophones, du Secrétariat du Comité du Cabinet chargé des priorités et de la planification, et du Conseil consultatif économique du premier ministre.

Globalement, Finances Manitoba a atteint les cibles de performance et a respecté le budget. Ces objectifs reposent sur les priorités, les objectifs et les actions énoncés dans les prévisions budgétaires de 2012.

Les Services généraux fournissent des services de haut niveau en administration, planification et gestion des politiques, des programmes et des communications du Ministère. Les résultats clés comprennent la coordination et le soutien de l'élaboration des prévisions budgétaires annuelles du Ministère conformément aux calendriers établis et aux conventions comptables et une meilleure harmonisation des investissements en technologies de l'information avec les besoins des programmes.

La Division de la trésorerie gère et administre les actifs financiers de la Province, dont les programmes d'emprunt, la totalité des investissements et le service de la dette du gouvernement. Elle gère et administre également les programmes d'emprunt et les investissements des sociétés de la Couronne et des organismes gouvernementaux, et participe à l'organisation du financement des municipalités, des écoles et des hôpitaux. Les résultats clés comprennent les frais du service de la dette à raison de 6 cents par dollar de recettes, contre 13 cents en 1999. Le Manitoba continue ainsi de maintenir sa réputation de gouvernement responsable sur le plan financier et bénéfice d'améliorations graduelles de sa cote de crédit depuis 2002.

La Division du contrôleur établit et développe une fonction de contrôle pour l'ensemble du gouvernement. Cela comprend l'élaboration et la mise en œuvre de systèmes financiers et de gestion qui facilitent la prise de décision aux niveaux législatif et gouvernemental, contribuent à l'efficacité de la prestation des services et respectent les exigences d'imputabilité. Les états financiers sommaires de la Province pour l'exercice terminé le 31 mars 2013, qui figurent dans les comptes publics annuels, ont reçu une opinion de vérification sans réserve, ce qui révèle une saine gestion financière. Les principaux résultats comprennent 23 nouvelles vérifications ministérielles et interministérielles, la réalisation de plus de 880 000 opérations de paiement (paiement des employés et comptes fournisseurs), et la publication des rapports financiers trimestriels et des comptes publics annuels en conformité avec les calendriers et les conventions comptables établis.

La Division des taxes et des impôts veille à mettre en application, de manière efficace et efficiente, diverses lois provinciales dans le domaine fiscal, et à percevoir les recettes conformément à la loi. En 2012-2013, 99,9 pour cent des montants dus à la Province ont été perçus. Parmi ses principaux résultats, la Division a adopté des mesures d'auto-conformité consistant, par exemple, à élaborer ou à mettre à jour

des bulletins d'information des contribuables, à répondre dans les meilleurs délais aux questions des contribuables, à procéder à des examens des nouveaux fournisseurs et à veiller à l'efficacité des programmes de vérification et de perception. La Division a également participé à des enquêtes conjointes avec d'autres organismes et autorités administratives.

La Division des recherches fiscales, économiques et intergouvernementales entreprend des analyses concernant les relations intergouvernementales en matière de fiscalité et de politiques, les questions d'économie et de fiscalité, la formulation des politiques fiscales et la gestion des programmes de crédit d'impôt. Les résultats clés comprennent les négociations à propos du renouvellement des ententes de transfert fédérales, qui prendront fin le 31 mars 2014, et l'aide aux quelque 500 000 Manitobaines et Manitobains qui bénéficient des programmes d'impôt sur le revenu et de crédits d'impôt du Manitoba.

La Direction de la réglementation des institutions financières est responsable du cadre législatif et réglementaire applicable à la croissance et au développement des coopératives, des credit unions, des caisses populaires et du secteur des assurances au Manitoba. La Direction aide également les coopératives, les credit unions, les caisses populaires et leurs membres en administrant la *Loi sur les coopératives* et la *Loi sur les caisses populaires et les credit unions*, dispense aux consommateurs de l'éducation sur les questions d'assurance et traite les plaintes. Depuis le 1^{er} octobre 2012, la Direction de la réglementation des institutions financières fait partie du nouvel organisme de service spécial, l'Office des services financiers du Manitoba. Les renseignements suivants portent sur les activités de la Direction du 1^{er} avril au 30 septembre 2012.

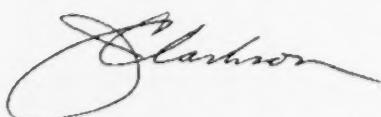
Le Secrétariat du Conseil du Trésor aide et conseille le ministre des Finances et le Conseil du Trésor en matière de finances et d'analyse, permettant à l'un comme à l'autre d'exercer leurs responsabilités sur le plan de la gestion financière. Les résultats clés comprennent le dépôt du Budget des recettes et des dépenses de 2012-2013 et celui du Budget de 2012; la fourniture de services de soutien aux ministères pour renforcer la capacité du gouvernement à mesurer, contrôler et évaluer les programmes au moyen de processus de gestion de la performance; et la négociation de plusieurs conventions collectives.

Le Secrétariat aux affaires francophones dispense des conseils relativement à l'élaboration des services offerts en français et à la politique sur les services en langue française (SLF) en général, à la facilitation de la mise en œuvre de la politique provinciale en cette matière, et à la fourniture d'une assistance aux instances administratives visées par la politique sur les SLF. Les résultats clés portent notamment sur les points suivants : l'octroi de la sanction royale à la *Loi sur les centres de services bilingues* et son entrée en vigueur le 14 juin 2012; le 10^e anniversaire en 2012-2013 de la création des premiers centres de services bilingues dans les régions rurales et urbaines du Manitoba; et la négociation pour cinq ans de la prochaine Entente Canada-Manitoba relative aux services en français (ECMRSF) avec le ministère fédéral du Patrimoine canadien.

Je suis particulièrement honoré de soumettre ce rapport à votre attention, témoignage du précieux travail accompli par le personnel du Ministère.

Je vous prie d'agrérer, Monsieur le Ministre, l'expression de ma très haute considération.

Le tout respectueusement soumis,

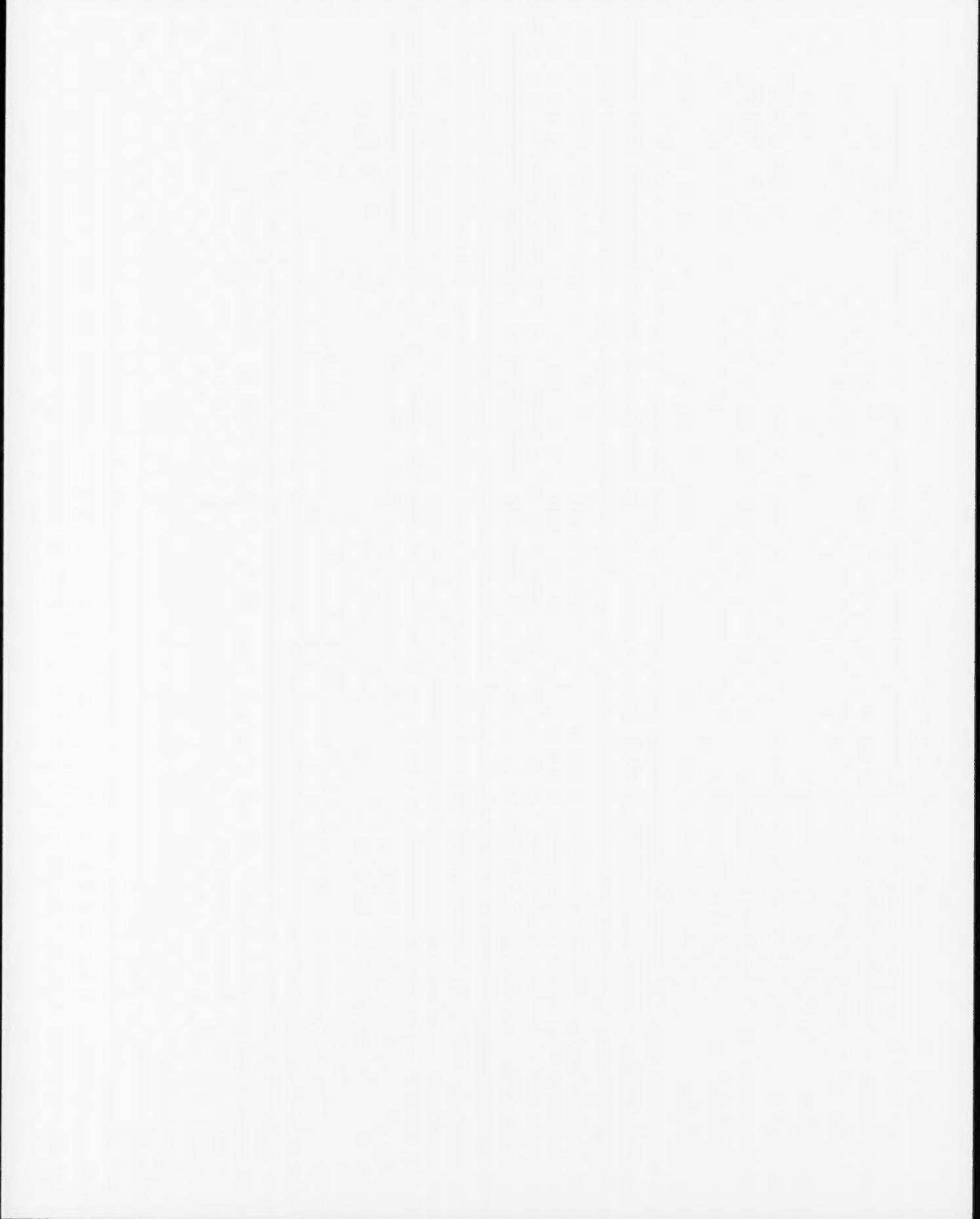


John Clarkson
Sous-ministre des Finances



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INTRODUCTION

Manitoba Finance vision and mission is as follows:

Vision: A province that has effective financial management policies to bolster its prosperity for its citizens and influence within a united Canada.

Mission: To implement the government's fiscal policies, ensure the highest quality management of Manitoba's revenue, debt, investments and to provide comprehensive and accurate reports on the financial position and assets.

The overall responsibilities of the Minister and the department include:

- preparing the annual Provincial Budget;
- managing and controlling government expenditures and programs;
- providing policy direction on matters relating to finance;
- ensuring appropriate government-wide management practices;
- ensuring accountability for the delivery of government programs;
- maintaining the core government accounting and financial reporting entity;
- managing daily cash requirements, the public debt, the interest rates, advances made and guarantees given by the government;
- analyzing and appraising the economic situation and prospects of the ministries as appropriate;
- advising on fiscal and other economic policies and measures;
- advising on policies relating to Federal-Provincial relations;
- representing the province in negotiations and participating in economic development;
- managing the province's financial assets and liabilities;
- insuring government assets and managing risk; and
- administering a regulatory framework that contributes to a stable economy.

Through its efforts, the department manages strategic, financial and operational risks so that the value government obtains for money expended, is optimized.

The department also encompasses the Special Operating Agency, which was formed October 1, 2012, which includes the Manitoba Securities Commission and the Regulation Branch. This Special Operating Agency prepares and publishes reports that are included in this document.

SECTION

ment practices and fairly regulated businesses to
united Canada and a changing world.

ies, efficiently and with integrity, to provide the
bt, investments, and investor protection regimes,
n the financial management of government funds

ment include:

res and revenues, and evaluating government

financial management and administration, and
t practices and systems;

nt programs;

financial reporting systems, and the preparing the
ow the financial condition of the entire government

the investment of public money, and of loans and
nment;

d prospects in Manitoba in co-operation with other

measures including taxation;

lations;

ipating in meetings related to finance, taxation and

ies;

es to a competitive Manitoba economy.

financial and operational risks at a corporate level
ended, and for revenues owing and received, is

g Agency the Manitoba Financial Services Agency
securities Commission and the Financial Institutions
ares and presents its own annual report and is not

The text of this report is formatted along the same lines as the appropriation structure for the department that is used in the Estimates of Expenditure of the Province of Manitoba. This formatting will assist with cross-referencing the two documents. Exceptions to this format have been made for Net Tax Credit Payments and Public Debt. These areas have been included within the divisions responsible for their administration.

STATUTORY RESPONSIBILITIES OF THE MINISTER OF FINANCE

Continuing
Consolidation
Chapter

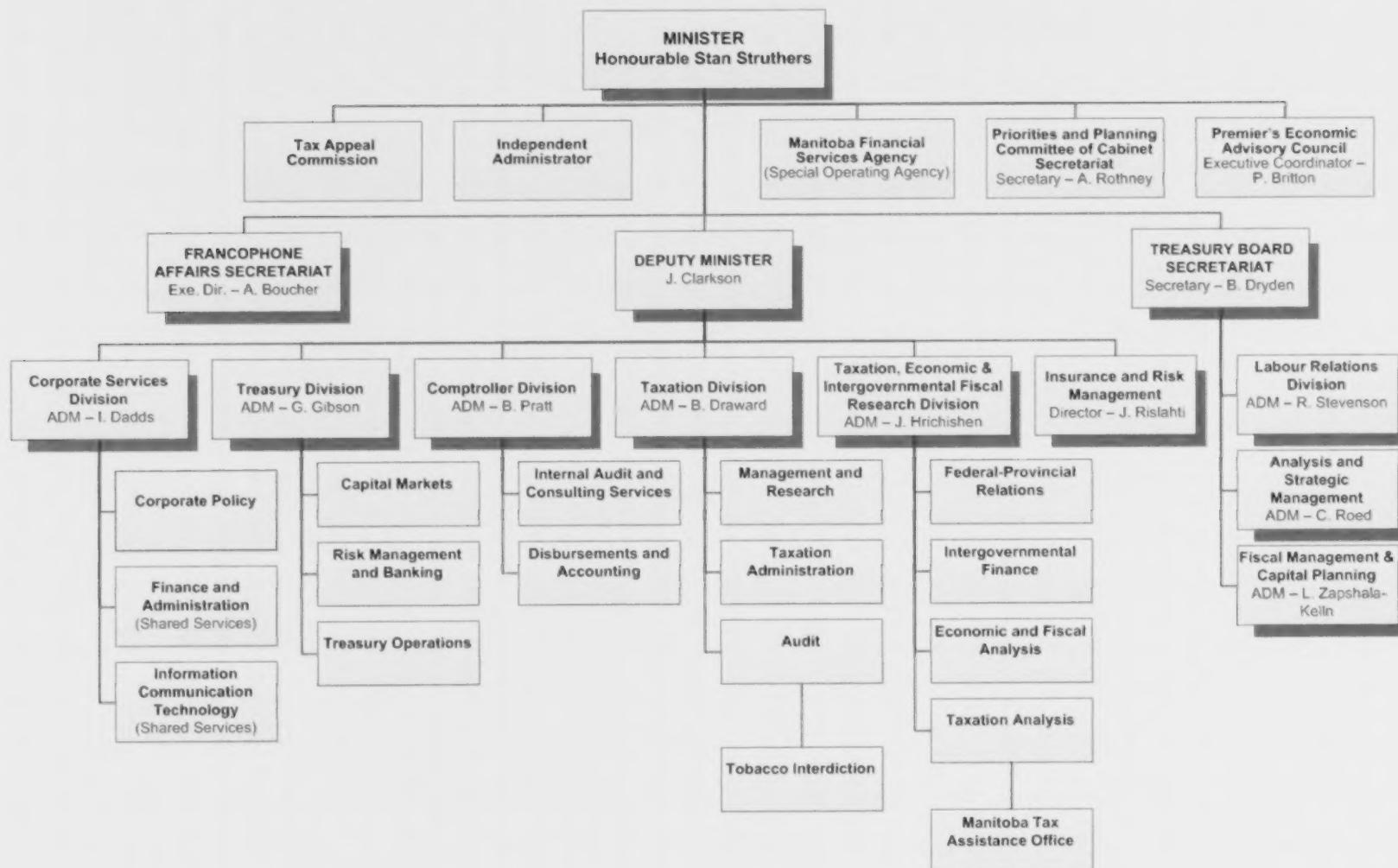
The Affordable Utility Rate Accountability Act	A 6.8
The Balanced Budget, Fiscal Management and Taxpayer Accountability Act	B 5
The Commodity Futures Act	C 152
The Cooperatives Act	C 223
The Corporations Act [part XXIV]	C 225
The Corporation Capital Tax Act	C 226
The Credit Unions and Caisses Populaires Act	C 301
The Credit Unions and Caisses Populaires Profits Tax Act	C 302
The Crocus Investment Fund Act [section 11]	C 308
The Emissions Tax on Coal Act	E 90
The Energy Rate Stabilization Act	E 115
The Financial Administration Act	F 55
The Fire Insurance Reserve Fund Act	F70
The Fuel Tax Act	F 192
The Health and Post Secondary Education Tax Levy Act	H 24
The Hospital Capital Financing Authority Act	H 125
The Income Tax Act [except sections 7.13 to 7.16, 10.4, 10.5 and 11.8 to 11.12]	I 10
The Insurance Act	I 40
The Insurance Corporations Tax Act	I 50
The Manitoba Investment Pool Authority Act	I 100
The Labour-Sponsored Venture Capital Corporations Act [except Part 2 and sections 16 to 18 as they relate to Part 2]	L 12
The Mining Claim Tax Act	M 165
The Mining Tax Act	M 195
The Mortgage Brokers Act	M 210
The Municipal Revenue (Grants and Taxation) Act [except Part 2]	M 265
The Pari-Mutuel Levy Act	P 12
The Property Tax and Insulation Assistance Act [Parts I, I.1, III, IV, V.1 and V.2, and section 1 and Part VI as they relate to subjects covered under Parts I, I.1, III, IV, V.1 and V.2]	P 143 P 230
The Public Officers Act	P 245
The Public-Private Partnerships Transparency and Accountability Act	P 265
The Public Sector Compensation Disclosure Act	R 20
The Real Estate Brokers Act	R 130
The Retail Sales Tax Act	S 50
The Securities Act	S 60
The Securities Transfer Act	-
The Succession Duty Act (S.M. 1988-89, c. 42)	S220
The Suitor's Moneys Act	T 2
The Tax Administration and Miscellaneous Taxes Act	T 3
The Tax Appeals Commission Act	T 80
The Tobacco Tax Act	U 10
The Unconditional Grants Act	

Per Order-in-Council 19/2012, Schedule "K", Order-in-Council 43/2012, and the Continuing Consolidation
of the Statutes of Manitoba.

Manitoba Finance

Organization Chart

As at March 31, 2013



CORPORATE SERVICES

Corporate Services provides executive administration; planning and management of departmental policies and programs; co-ordination and oversight of policy and communication, financial and administrative functions and information technology; as well as other services such as the Tax Appeals Commission and the Independent Administrator.

In August 2012, the Corporate Services Division of Manitoba Finance was created as part of a shared services initiative. This Division is a shared service which supports the operations of Manitoba Finance, Civil Service Commission and Executive Council.

Executive Support

The Minister's salary provides additional compensation to which individuals appointed to the Executive Council are entitled.

The Executive Support unit provides advice to the Minister on all policy and program matters related to the department, co-ordinates and administers the activities of the department to meet government policy objectives and provides administrative support for the offices of the Minister and Deputy Minister.

1 (a) Minister's Salary

Expenditures by Sub-Appropriation	Actual 2012/2013 \$(000s)	Estimate 2012/2013 FTEs	Variance Over/(Under) \$(000s)	Expl. No.
Minister's Salary	37	1.00	37	
Total Sub-Appropriation	37	1.00	37	

1 (b) Executive Support

Expenditures by Sub-Appropriation	Actual 2012/2013 \$(000s)	Estimate 2012/2013 FTEs	Variance Over/(Under) \$(000s)	Expl. No.
Salaries and Employee Benefits	945	13.00	985	(40)
Other Expenditures	185		116	69 1
Total Sub-Appropriation	1,130	13.00	1,101	29

1. Over-expenditure is primarily due to one-time costs related to the sale of The Property Registry.

Financial and Administrative Services

The Financial and Administrative Services branch is responsible for ensuring appropriate management of and accountability for the department's resources. This encompasses: developing and implementing departmental financial and administrative policies, processes and practices; ensuring compliance with government legislation, policies and procedures; providing accounting and administrative services to the department; and providing analytical and consultative support services to the department's operating divisions.

Branch activities include planning, organizing and evaluating departmental accounting and financial management activities related to financial reporting, expenditure and revenue processing and appropriation control. In addition, the branch co-ordinates and supports the department's records management, as well as requests for office accommodation, telecommunication services, parking and government vehicles.

Results:

- A strong comptrollership function responsive to the financial management and administrative requirements of the department and government.
- Strong fiscal management, accountability and control over departmental financial resources.

- Timely reporting of departmental expenditures and revenue through co-ordination and support of the department's annual estimates, quarterly financial forecasts and related reports.
- Timely and accurate advice to executive management, enabling decision-making regarding emerging financial and program management issues.

1 (c) Financial and Administrative Services

Expenditures by Sub-Appropriation	Actual 2012/2013 \$(000s)	Estimate 2012/2013 FTEs	Variance Over/(Under) \$(000s)	Expl. No.
Salaries and Employee Benefits	627	10.00	737	(110)
Other Expenditures	106		104	2
Total Sub-Appropriation	733	10.00	841	(108)

Information Technology Management

The objective of the Information Technology Management (ITM) branch is to provide guidance and effective management of the Information and Communications Technology (ICT) investments for the department.

Branch activities include planning and consulting, business analysis and case development, requirements definition, project and enterprise portfolio management, governance and control, financial management, contract, license and asset management, data stewardship, information management and risk identification and protection.

Results:

- Over 80 per cent of projects in the ITM project portfolio can be traced directly back to specific program needs while approximately 20 per cent represents ITM development.
- Completed a formal ICT Strategy including strategic drivers, strategic outcomes and five-year ICT plan detailing business priorities as directed by the department executive committee.
- Through ITM, business consultants engaged program managers in aligning ICT planning with current and future business needs by:
 - understanding current ICT and business capabilities;
 - prioritizing business objectives that establish the business requirements and ICT needs; and
 - delivering ICT needs.
- Continued development and implementation of a Talent Management program to increase the skills of ITM staff and the overall branch capabilities.
- Continued development and implementation of a two-pronged approach that addresses contingency level plans for limited, localized ICT disruptions while developing disaster level plans with Business Transformation and Technology (BTT) for disruptions with wider significant business impacts.
- Continued integration of the CobiT framework and selected processes in the department.

1 (d) Information Technology Management

Expenditures by Sub-Appropriation	Actual 2012/2013 \$(000s)	Estimate 2012/2013 FTEs	Variance Over/(Under) \$(000s)	Expl. No.
Salaries and Employee Benefits	522	7.00	647	(125)
Other Expenditures	164		109	55
Total Sub-Appropriation	686	7.00	756	(70)

1. Over-expenditure is primarily due to one-time costs incurred for department-wide strategic planning and analysis.

Tax Appeals Commission

The Tax Appeals Commission Act provides for the appointment of one or more commissioners for the purpose of dealing with appeals filed by taxpayers who disagree with assessments issued by the Taxation Division. The Tax Appeals Commission provides taxpayers with an objective review of a taxpayer's appeal, independent of the taxation officials who issued the assessment.

The activity of the commission and results for 2012/2013 are as follows:

Outstanding appeals as at March 31, 2012	22
Appeals received in 2012/2013	
Administration	25
Audit	16
	<u>63</u>
Disposition of Appeals in 2012/2013	
Partially Denied	3
Denied	10
Referred to Taxation (not an appeal issue)	1
Upheld	0
Withdrawn	<u>24</u>
Appeals Resolved	<u>38</u>
Outstanding appeals as at March 31, 2013	<u>25</u>

1 (e) Tax Appeals Commission

Expenditures by Sub-Appropriation	Actual 2012/2013 \$(000s)	Estimate 2012/2013 FTEs	Variance Over/(Under) \$(000s)	Expl. No.
Tax Appeals Commission	14	19	(5)	
Total Sub-Appropriation	14	19	(5)	

Independent Administrator

The Independent Administrator was created in 2006 under *The Labour-Sponsored Venture Capital Corporations Act*. The Independent Administrator reports to the Minister of Finance and monitors provincially registered labour-sponsored funds and issuers under the Small Business Venture Capital Tax Credit program to ensure compliance with governing legislation.

1 (f) Independent Administrator

Expenditures by Sub-Appropriation	Actual 2012/2013 \$(000s)	Estimate 2012/2013 FTEs	Variance Over/(Under) \$(000s)	Expl. No.
Independent Administrator	43	34	9	
Total Sub-Appropriation	43	34	9	

FISCAL AND FINANCIAL MANAGEMENT

Treasury Division

The Treasury Division manages and administers the cash resources, borrowing programs, and all investment and debt management activities of the government. It further manages the borrowing programs and investment activities for all of its Crown corporations and government agencies. The Treasury Division assists in the financing of municipalities, schools and hospitals and it is the division's responsibility to ensure that such financing is arranged.

Major changes are continually taking place in the world's economic and financial markets. These changes have a significant impact on both short and long-term management strategies as well as the day-to-day decisions made by Treasury Division staff.

The division maintains contact with a large number of domestic and foreign financial institutions as well as regulatory and rating agencies to inform them of the fiscal and economic performance of the province and its policies, while at the same time obtaining information about the state of world financial markets and financial products and opportunities available to the province.

Results:

- The best possible financial arrangements that minimize risk and cash flow requirements for the province, Crown corporations, government agencies, school boards, hospitals and municipalities.
- Policies, legislation and regulations are sufficient for the needs of the government.
- Investment returns are the maximum possible within acceptable risk parameters.
- During 2012/2013 the province issued securities in both domestic and international markets valuing approximately \$3.7 billion.
- In 2012/2013 provincial borrowings serviced by the division were represented by debentures, savings bonds, treasury bills, promissory notes and Canada Pension Plan debentures payable in Canadian dollars. Borrowings also include: 14 debenture issues payable in United States dollars; two debenture issues payable in Swiss Francs; five debenture issues payable in Euros; one debenture issue payable in Hong Kong dollars; one debenture issue payable in New Zealand dollars and two debenture issues in Japanese Yen. In servicing foreign issues, the division administered approximately 320 swap agreements whereby, all the foreign debt has been swapped into fixed or floating rate Canadian or United States dollar liabilities in order to mitigate risk to foreign currency fluctuation.
- Maintained records for investments in, or advances to government programs, Crown corporations and government agencies. During 2012/2013 the division advanced approximately \$1.6 billion and the aggregate amount of investments outstanding at March 31, 2013 was approximately \$12.8 billion.
- During 2012/2013 the Cash Management program managed the cash flow and investment of significant dollar amounts processed through the accounts of the government.
- Departments, agencies and Crown corporations deposited surplus funds with the Minister of Finance in over 90 interest-bearing trust deposits. These trust funds averaged \$0.9 billion in 2012/2013 and interest paid on these trust accounts was approximately \$9.7 million.
- Servicing over \$5.0 billion in long-term investments of the province and its agencies generated earnings in excess of \$200.0 million.
- Servicing approximately \$1.8 billion in short-term investments of the province required daily processing of transactions representing purchases, sales and maturities. This servicing was accomplished while maintaining loss-free safekeeping, payment and receipt operations.

2 (a) Treasury	Actual 2012/2013 \$(000s)	Estimate 2012/2013 FTEs	Variance Over/(Under) \$(000s)	Expl. No.
Expenditures by Sub-Appropriation				
Salaries and Employee Benefits	1,889	26.00	1,989	(100)
Other Expenditures	227		273	(46)
Total Sub-Appropriation	2,116	26.00	2,262	(146)

Public Debt (Statutory)

This appropriation provides for the required net cost of interest and related expenses payable with respect to the Public Debt of the province.

7 Public Debt (Statutory)		Actual 2012/2013 \$(000s)	Estimate 2012/2013 \$(000s)	Variance Over/(Under) \$(000s)	Expl. No.
Expenditures by Sub-Appropriation					
(a) (1)	Interest on the Public Debt of Manitoba and related expenses	1,144,881	1,159,511	(14,630)	
(2)	Interest on department's capital assets	184,495	220,421	(35,926)	
(3)	Interest on Trust and Special Funds	9,819	16,800	(6,981)	
Subtotal (a)		1,339,195	1,396,732	(57,537)	
(b)	Less: Interest and Other Charges to be received from:				
(1)	Sinking Fund Investments	(74,253)	(75,119)	866	
(2)	Manitoba Hydro	(610,620)	(620,374)	9,754	
(3)	Manitoba Housing and Renewal Corporation	(29,222)	(26,545)	(2,677)	
(4)	Manitoba Agricultural Services Corporation	(15,272)	(12,832)	(2,440)	
(5)	Other Government Agencies	(23,747)	(12,147)	(11,600)	
(6)	Other Loans and Investments	(98,920)	(102,138)	3,218	
(7)	Other Appropriations	(253,650)	(289,577)	35,927	
Subtotal (b)		(1,105,684)	(1,138,732)	33,048	
Total Sub-Appropriation		233,511	258,000	(24,489)	1

1. Net under-expenditure is primarily due to favourable interest rates.

Comptroller Division

The division's role is to establish and foster a corporate comptrollership function for the Manitoba government that includes the development and operation of financial and management systems in support of legislative and governmental decision-making, service delivery effectiveness and accountability requirements.

Some of the key components integral to the division's government-wide comptrollership function include: designing management processes; establishing financial and accounting policies; assisting in the co-ordination of the government's Summary Budget; preparing and presenting financial information for internal and external reporting, including the government's Public Accounts on a summary basis; maintaining the central accounts of the province; controlling all disbursements and revenue transactions for the Consolidated Fund; facilitating the integration and co-ordination of financial and management information; and providing advisory and problem solving services to corporate government and line departments.

Results:

- Conducted 23 new audit projects during the year (33 in 2011/2012) based on assignments generally greater than 100 hours.
- Participated in cross-departmental audits.
- Maintained a process to follow-up on the implementation of audit recommendations.
- Annual reports summarizing the audit activities for the year and the audit plan for the upcoming year were prepared for each department and the Corporate Audit Committee.
- Participated in the Institute of Internal Auditors and Information System Audit and Control Association boards and activities.
- Performed payroll transactions that included 476,247 direct deposits and 422 payroll cheques, while adhering to all deadlines and all related laws, regulations and policies.
- Released 402,819 payments for grants, supplies and services, to corporations, firms and other recipients based on documents and supporting information provided by the government's operating departments. Of this total 115,365 were direct deposit payments to vendors.
- Processed and collected amounts owing to the government for shared-cost agreements in a timely basis.
- Issued quarterly financial report statements of the government in accordance with established timetables and accounting policy.
- Prepared and released the annual financial reports, as represented by the Public Accounts in accordance with *The Financial Administration Act*. The 2011/2012 summary financial statements of the government represented by Volume 1 of the Public Accounts, and the more detailed financial statements, schedules and reports of the Consolidated Fund represented by Volumes 2 and 3 of the Public Accounts were all released September 28, 2012. Volume 4 of the Public Accounts, which contains the detailed financial statements of the special funds, Crown organizations and government business enterprises that comprise the government reporting entity were released April 12, 2013.
- Continued to provide consultation and financial guidance for appropriate financial processes within the Consolidated Fund.

2 (b) Comptroller	Actual 2012/2013 \$ (000s)	Estimate 2012/2013 FTEs	\$ (000s)	Variance Over/(Under) \$ (000s)	Expl. No.
Expenditures by Sub-Appropriation					
Salaries and Employee Benefits	4,830	73.00	5,341	(511)	
Other Expenditures	1,093		1,137	(44)	
Less: Recoverable from Other Appropriations	(571)		(510)	(61)	
Total Sub-Appropriation	5,352	73.00	5,968	(616)	

Taxation Division

The Taxation Division is responsible for efficiently and effectively administering the following provincial taxation acts and ensuring revenues are collected as provided in these acts:

*The Corporation Capital Tax Act
The Credit Unions and Caisses Populaires Profits Tax Act
The Emissions Tax on Coal Act
The Fuel Tax Act
The Health and Post Secondary Education Tax Levy Act
The Mining Tax Act
The Retail Sales Tax Act
The Tax Administration and Miscellaneous Taxes Act
The Tobacco Tax Act
The continuing phase-out of The Manitoba Succession Duty and Gift Tax Acts*

Activities of the division include administering the collection, processing and reporting of taxation revenues; informing, investigating and auditing taxpayers and businesses; and developing and distributing public tax information to protect revenue by promoting voluntary compliance.

Actual revenues for the 2012/2013 fiscal year under the taxation acts noted above as well as for the Mining Claim Lease Tax and Environmental Protection Tax, were \$2.9 billion. These total revenues were less than estimated revenues by approximately \$(53) million due to the following major variances: Retail Sales Tax revenue was less than the estimate by \$(70) million due to less than estimated economic growth; and Fuel Tax revenue exceeded the estimate by \$17 million due to increased fuel consumption.

Further details on all taxation revenues are presented in the Revenue Summary by Source table (page 33).

The following table details the historical revenues collected under the taxation acts noted above for the past five years:

Provincial Taxation Acts

Comparative Statement of Actual Revenues (\$000s)

For Fiscal Years Ending March 31, 2009 to March 31, 2013

	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013
Corporation Capital Tax	167,816	161,195	152,862	116,314	133,516
Fuel Taxes	228,779	229,965	241,423	240,352	313,615
Levy for Health and Education	357,501	364,736	373,944	396,199	410,284
Succession Duty and Gift Tax	3	3	3	0	22
Mining Claim Lease Tax	64	64	64	71	71
Mining Tax	45,927	9,924	41,954	61,442	37,632
Retail Sales Tax	1,569,334	1,569,845	1,618,412	1,702,233	1,763,900
Tobacco Tax	189,633	215,543	233,657	248,591	252,058
Environmental Protection Tax	3,483	3,510	3,520	3,588	4,562
Credit Unions and Caisses Populaires Profits Tax		0		229	746
Total	2,562,540	2,554,785	2,665,839	2,769,019	2,916,406

Results:

- Maintained effective and efficient tax administration systems, to reduce tax administration costs and maintain accurate and current filing of tax returns and business registrations, with a deterrent to tax avoidance or evasion.
- Maintained TAXcess, an efficient online system relating to filing and payment of taxes, facilitating business registrations and permitting taxpayer browsing of account status.
- Ensured timely and accurate processing of taxpayer refund claims.
- Recovered unpaid taxes through audits and investigations resulting in increased voluntary compliance.
- Timely and thorough evaluation of all tax administration processes to continually maintain efficiency in the filing and processing of returns and business registration under the acts.
- Evaluated the implications of administrative and revenue options considered by the government on a timely basis.
- Maintained and updated key public information bulletins including online information pertaining to all acts, and responded in a timely basis to taxpayer enquiries to promote voluntary compliance.
- Liaised with Canada Revenue Agency and other jurisdictions on co-operative information exchanges, joint compliance and audit initiatives and other taxation administration and management issues.
- Collected outstanding taxes and delinquent returns.

Vendors	Registered Vendors	52,090
	Returns generated	170,457 (plus 66,043 email reminders)
Administration	Completed refunds	14,339
	Recoveries	\$80.7 million
Fuel Tax exemption on First Nations	Total retailers	68 (on 40 First Nations)
	Claims	2,227
	Bulk fuel collectorship agreements	11
	Disbursed	\$9.3 million
Tobacco Tax exemption on First Nations	Bands with agreements	60
	Claims	1,523
	Disbursed	\$31.4 million

Audit	Completed refunds	437
	Completed files	1,238
	Audit recoveries	\$44.9 million
Investigations	Completed files	110
	Charges	31
	Convictions	15
	Fines	\$32,339
	Recoveries	\$266,349

Tobacco Interdiction	Completed audit or investigation files	27
	Charges	14
	Convictions	10
	Fines	\$18,470
	Recoveries	\$2.3 million

2 (c) Taxation

Expenditures by Sub-Appropriation	Actual 2012/2013 \$(000s)	Estimate 2012/2013		Variance Over/(Under) \$(000s)	Expl. No.
		FTEs	\$(000s)		
Salaries and Employee Benefits	11,031	194.50	12,682	(1,651)	1
Other Expenditures	2,695		4,438	(1,743)	2
Total Sub-Appropriation	13,726	194.50	17,120	(3,394)	

1. Under-expenditure is due to position vacancies.
2. Under-expenditure is primarily due to no requirement for additional provision for allowance for doubtful accounts.

Taxation, Economic and Intergovernmental Fiscal Research Division

The Taxation, Economic and Intergovernmental Fiscal Research Division provides research, policy advice, analysis and support to government with respect to national and provincial fiscal and economic matters; taxation policy and programs; strategic intergovernmental arrangements including cost-shared programs; and federal-provincial relations. The Federal-Provincial Relations branch provides policy advice, analysis and support to the Premier of Manitoba concerning Manitoba's relationships with the federal government and other provincial and territorial governments.

Activities of the Division include producing policy advice and analysis, developing revenue forecasts, co-ordinating the preparation of the Manitoba Budget and operating the Tax Assistance Office (TAO). The division is responsible for informing and assisting taxpayers on the proper application of Manitoba income tax and tax credit programs and administering and enforcing elements of Manitoba income tax and tax credits programs. The Division supports the Minister of Finance in meeting stewardship responsibilities related to the Canada Pension Plan.

Total provincial revenue from income taxes administered by the Division in 2012/2013 amounted to \$2.8 billion in individual income tax and \$0.5 billion in corporation income tax. Total provincial revenues governed by federal-provincial transfer arrangements and administered by the division in 2012/13 included: \$1.9 billion in Equalization payments; and \$1.5 billion in cash payments for major health and social programs.

Results:

- Provided research, technical and analytical support and advice to the Minister and Cabinet in respect of national and provincial fiscal and economic matters and intergovernmental issues.
- Administered fiscal arrangements and tax administration agreements with the federal government and administered tax credit programs with the federal government, departments and other administrators.
- Developed and maintained the province's medium-term revenue projections.
- Prepared major components of provincial borrowing prospectuses and securities registration with regard to economic and financial data and represented the province in related due diligence reviews.
- Prepared major presentations and publications for financial institutions and credit-rating agencies.
- Co-ordinated fiscal and taxation analysis necessary for the Minister and Cabinet to develop the Manitoba Budget.
- Co-ordinated the production of the Manitoba Budget and related documents.
- Supported provincial policy, and advanced provincial fiscal interests while representing the province in various meetings and committees related to the Canadian retirement income system
- Provided policy support for federal-provincial-territorial finance minister's discussions on the retirement income system including the Canada Pension Plan.
- Undertook analysis and provided policy advice related to fiscal arrangements, including major and other federal transfer programs.
- Provided expertise and analysis to facilitate participation in federal-provincial-territorial finance working groups related to the renewal of the three major federal transfer programs.
- In co-operation with the Canada Revenue Agency and a variety of provincial departments, Tax Assistance Office (TAO) managed or oversaw the administration of a variety of programs.
- TAO informed and assisted taxpayers on the proper application of federal and Manitoba Income Tax and tax credit programs for residents and enforced the provisions of the legislation governing the Manitoba Income Tax and Manitoba tax credit programs including recovery of ineligible claims.
- Reviewed and evaluated policy and program initiatives related to intergovernmental relations and provided policy advice on relations with the federal government and other provinces and territories.
- Provided support to the Premier of Manitoba in his responsibilities as Minister of Federal-Provincial Relations, including his involvement in regular Council of the Federation meetings, annual Western Premiers' Conferences, bilateral meetings with the Prime Minister, and other inter-jurisdictional meetings and conferences.
- Provided support to the Premier in joint activities with other provinces and territories such as the Council of the Federation mission to China in September 2012.

The following table details the historical revenues collected under federal-provincial fiscal arrangements for the past five years:

Federal-Provincial Fiscal Arrangements
Comparative Statement of Actual Revenues (\$000s)
For Fiscal Years Ending March 31, 2009 to March 31, 2013

	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013
Income Taxes					
Individual Income Tax	2,455,117	2,401,381	2,591,827	2,682,506	2,846,037
Corporation Income Tax	386,131	257,081	329,918	423,598	456,447
Subtotal	2,841,248	2,658,462	2,921,745	3,106,104	3,302,484
Federal Transfers					
Equalization	2,063,394	2,063,394	2,001,518	1,941,727	1,871,962
Canada Health Transfer (CHT)	875,409	897,402	948,896	999,852	1,056,305
Canada Social Transfer (CST)	387,531	392,184	404,249	417,059	431,033
Corporation Capital Tax Phase-Out	-	-	-	9,100	-
Police Officers Recruitment Fund	14,400	-	-	-	-
Public Transit Capital Fund	17,912	-	-	-	-
Government of Canada Subsidy	2,298	2,322	2,321	2,320	2,321
Subtotal	3,360,944	3,355,302	3,356,984	3,370,058	3,361,621
Total from Fiscal Arrangements	6,202,192	6,013,764	6,278,729	6,476,162	6,664,105

Net Tax Credit Payments

6 Net Tax Credit Payments

Expenditures by Sub-Appropriation	Actual 2012/2013 \$(000s)	Estimate 2012/2013 \$(000s)	Variance Over/(Under) \$(000s)	Expl. No.
Education Property Tax Credit	314,712	297,319	17,393	
Film and Video Production Tax Credit	22,721	15,000	7,721	
Tuition Fee Income Tax Rebate Advance	1,807	3,500	(1,693)	
School Tax Assistance for Tenants and Homeowners (55+)	1,043	1,500	(457)	
Book Publishing Tax Credit	435	520	(85)	
Cultural Industries Printing Tax Credit	2,149	300	1,849	
Co-op Development Tax Credit	100	200	(100)	
Interactive Digital Media Tax Credit	759	200	559	
Federal Administration Fee	1,196	1,123	73	
Less: Recoverable from Education:				
Education Property Tax Credit	(314,712)	(297,319)	(17,393)	
School Tax Assistance for Tenants and Homeowners (55+)	(1,043)	(1,500)	457	
Total Sub-Appropriation	29,167	20,843	8,324	1

1. Over-expenditure is due to prior year adjustments and the impact of more current tax data.

2 (d) Taxation, Economic and Intergovernmental Fiscal Research

Expenditures by Sub-Appropriation	Actual 2012/2013 \$(000s)	Estimate 2012/2013 FTEs	Variance Over/(Under) \$(000s)	Expl. No.
Salaries and Employee Benefits	2,606	34.50	2,933	(327)
Other Expenditures	1,459		1,553	(94)
Total Sub-Appropriation	4,065	34.50	4,486	(421)

Insurance and Risk Management

The Manitoba Comptrollership Framework defines risk management as "a systematic approach to setting the best course of action under uncertainty by identifying, assessing, understanding, communicating and acting on risk issues". The Insurance and Risk Management branch works with departments and agencies to reduce the impact of uncertainty upon organizational goals and to protect assets and programs through management of risk.

Activities of the branch include: recommending appropriate risk control measures; administering insurance related claims; reviewing contracts, requests for proposals, legislation and commercial insurance; implementing risk financing measures including self-insurance and commercial insurance; and contributing to Manitoba government policy on risk management.

Results:

- Assisted departments and agencies in conducting risk assessments of programs and facilities.
- Commercial insurance premiums paid during 2012/2013 fiscal year were \$2.1 million for departments and \$2.4 million for agencies. This represented an overall increase of 1.6 per cent compared to the previous year for standard insurance coverage.
- Additional costs resulted from increasing value of Manitoba assets, including buildings and aircraft (new CL 415 water bombers). These costs were offset by lower rates on some policies resulting from competitive insurance markets.
- Agency Self-Insurance Fund premiums collected were \$6.0 million, a 6.6 per cent decrease from the previous year. Manitoba Housing's annual property losses have the largest influence on self insurance costs.
- Owner-controlled construction insurance was purchased for several larger infrastructure projects.
- Department retained losses (including new reserves and claim payments) in 2012/2013 totalled \$2.1 million (\$1.8 million property claims plus \$0.3 million liability claims). This was a decrease of 46 per cent from the previous year.
- Costs for independent adjusters for department claims were \$45,302 an increase of 96 per cent from the previous year due to increased claim activity and a fee adjustment to reflect current rates.
- 357 new department claims were opened and 221 claims were closed.
- Under the Foster Parents' Intentional Damage Compensation Plan, 118 claims were reported in 2012/2013 (3 per cent increase from last year) and settlement payouts totalled \$137,945 (18 per cent decrease over 2011/2012) plus administrative costs of \$28,893 (increase of 10 per cent from previous year due to increased claims volumes and the updated fee schedule).
- Agency retained losses, including new reserves and claim payments, in 2012/2013 totalled \$5.3 million (\$5.0 million property claims and \$0.3 million liability claims), a decrease of 38.2 per cent from the previous year.
- Costs for independent adjusters for agency claims were \$242,601, an increase of 34.1 per cent from the previous year. Increase resulted from a combination of adjustment to adjuster fee rate schedule and correlated office expense; several remote northern losses; and increase in file closures by 24.5 per cent compared to the previous year.
- 227 new agency claims were opened and 371 claims were closed.

2 (e) Insurance and Risk Management

Expenditures by Sub-Appropriation	Actual 2012/2013 \$(000s)	Estimate 2012/2013 FTEs	2012/2013 \$(000s)	Variance Over/(Under) \$(000s)	Expl. No.
Salaries and Employee Benefits	411	5.20	423	(12)	
Other Expenditures	63		66	(3)	
Insurance Premiums	2,061		2,611	(550)	1
Less: Recoverable from Other Appropriations	(2,061)		(2,611)	550	1
Total Sub-Appropriation	474	5.20	489	(15)	

1. *Under-expenditure and corresponding reduction in recoveries from other appropriations reflect reduced insurance premium costs essentially due to the insurance markets remaining competitive during 2012/2013.*

Financial Institutions Regulation Branch*

* The following information will reflect activities at the branch from April 1 to September 30, 2012.

As of October 1, 2012, the Financial Institutions Regulation Branch became part of the new special operating agency the Manitoba Financial Services Agency.

The Financial Institutions Regulation Branch administers legislation related to insurance companies, trust and loan corporations, credit unions, caisses populaires and co-operatives, and collects tax under *The Insurance Corporations Tax Act* and under the regulations of *The Fires Prevention and Emergency Response Act* on behalf of the Office of the Fire Commissioner.

Branch activities include: regulating and licensing private insurers; licensing hail insurance agents, hail insurance adjusters, and accident and baggage insurance agents; overseeing the Insurance Council of Manitoba in its role to license and supervise the activities of all other insurance agents and adjusters; educating consumers on insurance issues and dealing with complaints; issuing business authorizations to trust and loan corporations to operate in Manitoba; and monitoring the financial and operational performance of the Deposit Guarantee Corporation of Manitoba and the Credit Union Central of Manitoba.

Results:

- SM 2012, c. 29, *The Insurance Amendment Act* was passed in June 2012.
- Ensured consultations on proposed amendments to a regulation to *The Insurance Act* and *The Cooperatives Act* were conducted.
- Responded to inquiries from consumers, policyholders and members of co-operatives, credit unions or caisses populaires, which exceeded 2,500.
- Reviewed the annual returns from 55 federal and extra-provincial trust and loan corporations operating in Manitoba and reviewed areas of concern with the primary regulators from the incorporating jurisdictions.
- Licensed 237 insurers to transact insurance in Manitoba.
- Licensed 161 hail insurance agents, 540 accident and baggage insurance agents, 82 hail adjusters and four special brokers.
- Collected the premium tax under *The Insurance Corporations Tax Act*;
- Collected the tax under *The Fires Prevention and Emergency Response Act*.
- Monitored stakeholders' satisfaction by surveying each insurance company and one of every three consumers who requested mediation related to an insurance complaint. The result was a satisfaction rate of 75 per cent.

Credit Unions and Caisses Populaires

Following are the consolidated statistics for the credit union and caisses populaires systems operating in Manitoba at September 30, 2012:

Credit Unions	Sept 2012	Dec 2011
Total Assets	\$21.0 billion	\$19.2 billion
Total Deposits	\$19.6 billion	\$17.9 billion
Total Loans	\$17.1 billion	\$16.6 billion
Members	590,000	586,000
Number of credit unions/locations	41/190	41/190
Caisses Populaires	Sept 2012	Dec 2011
Total Assets	\$1,028 billion	\$927 million
Total Deposits	\$926 million	\$849 million
Total Loans	\$845 million	\$756 million
Members	30,000	30,000
Number of caisses populaires/locations	1/26	1/26

Co-operatives

As at September 30, 2012, there were 368 co-operatives with over 442,000 active members operating in Manitoba categorized as follows:

Classification of Co-operatives	Sept 2012	2011/2012
Housing	58	55
Consumer	57	57
Day-care	41	41
Community Service	36	35
Utility	42	40
Marketing	30	31
Recreational and Community Clubs	34	33
Farmers Markets	8	8
Agriculture/Producer	11	13
Cattle Feeders	9	9
Employment	24	22
Fishing	9	9
Communications and Transportation	9	8
Total	368	361

During the six month period ending September 30, 2012, eight new co-operatives were incorporated or revived and one co-operative was dissolved.

Insurance

Summary comparisons of licensing performed by the branch and Insurance Council of Manitoba are as follows:

LICENSING OF INSURANCE COMPANIES		
Description	To Sept 30, 2012	2011/2012
Federal	188	197
Provincial	49	52
Total	237	249

LICENCES ISSUED BY SUPERINTENDENT OF INSURANCE OFFICE		
Description	To Sept 30 2012	2011/2012
Hail Agents	161	165
Accident and Baggage Agents	540	590
Miscellaneous Agents	4	4
Agents Sub-Total	705	759
Hail Adjusters	82	747
Special Brokers Licences	4	4
Total	791	837

LICENCES ISSUED BY INSURANCE COUNCIL OF MANITOBA		
Description	To Sept 30 2012	2011/2012
Life Agents	2,943	3,078
General Agents	2,521	3,999
Accident and Sickness Agents	3,961	2,674
Subtotal Agents	9,425	9,751
Adjusters	158	156
Subtotal Adjusters	158	156
Total	9583	9,907

2 (f) Financial Institutions Regulation Branch

Expenditures by Sub-Appropriation	Actual 2012/2013 \$(000s)	Estimate 2012/2013 FTEs	Variance Over/(Under) \$(000s)	Expl. No.
Salaries and Employee Benefits	374	9.20	756	(382) 1
Other Expenditures	70		211	(141) 1
Total Sub-Appropriation	444	9.20	967	(523)

1. Under-expenditure is due to the transfer of Financial Institutions Regulation Branch to the Manitoba Financial Services Agency effective October 1st, 2012.

TREASURY BOARD SECRETARIAT

The Treasury Board Secretariat provides financial and analytical support as well as advice to the Minister of Finance and Treasury Board in fulfilling fiscal management responsibilities. The Secretariat is headed by a deputy minister who acts as Secretary to the Board.

Activities include monitoring, analyzing and reporting the financial position of the province, planning and co-ordinating the budgetary process, co-ordinating the expenditure management planning and reporting processes for government, developing and communicating policies, procedures and guidelines on administrative matters, maintaining the General Manual of Administration and representing government and department management in labour relations and compensation activities within the civil service.

Results:

- Monitored, analyzed and reported on the financial position of the province through timely provision of quarterly reports.
- Planned and co-ordinated the review and preparation of the annual estimates and participated in the development of the 2012 Budget, tabled in the Legislature on April 17, 2012.
- On a weekly basis, provided analyses in support of the efficient and effective utilization/allocation of the province's financial and human resources, both in the context of the annual estimates process and on an ongoing basis throughout the year.
- Provided guidance to departments in developing proposals and business plans for Special Operating Agencies.
- Developed and implemented a Program Portfolio Management Review initiative.
- Co-ordination of government capacity to plan, measure, monitor and evaluate programs toward greater efficiency and effectiveness through support to departments on performance management processes.
- Continued improvement of performance measures in departmental annual reports to provide meaningful and useful information about government activities and their impact on the province and its citizens.
- Provided support in the form of research and costing to Negotiation Services related to the implementation of various collective agreements.
- A total of 1,946 classification requests were received and evaluated in 2012/2013. The average time to complete these reviews was 39 calendar days. In addition, Compensation Services has seven classification series reviews underway.
- Maintained and expanded compensation and benefits information management systems, and exchanged information with a variety of local and national employers. Compensation Services conducted four surveys and responded to 60 surveys from other employers.
- Reviewed a number of policies to reflect current compensation policy and practice within the organization.
- Provided administrative support and disability management services for Long Term Disability (LTD) plan and Worker's Compensation Board recipients, and monitored accommodation issues related to redeployment of employees on medical grounds. There were 152 applications for LTD benefits processed and 31 employees who had been on LTD returned to work. As of March 31, 2013 227 individuals were in receipt of LTD benefits.
- Reviewed, negotiated and implemented new administration fee rates with benefit plan providers including the implementation of federal changes to the Employment Insurance and Canada Pension Plan contributions applicable to LTD recipients and the required employer contributions being remitted to the Canada Revenue Agency.
- Represented the province in the negotiation and renewal and revision of nine collective agreements representing the following groups; Manitoba Association of Crown Attorneys; Legal Aid Lawyers Association; Manitoba Housing Authority Winnipeg; Manitoba Housing Authority Rural; Manitoba Agricultural Services Corporation Crop Insurance Adjusters; Manitoba Association of Government Engineers; Winnipeg Child and Family Services and Canadian Union of Operating Engineers; Falcon Lake Golf Course and Manitoba Government Employees' Union (MGEU); and Manitoba Gaming Control Commission.

- Represented the province in the interest arbitration process arising from the negotiation and renewal of the Corrections Component of the 2010 – 2014 Government Employees Master Agreement.
- Represented the province in the judicial review application by the Provincial Judges Association of Manitoba, with respect to the 2009 recommendations of the 2008 Judicial Compensation Committee. Negotiation Services represented the province in the Judicial Compensation Committee process beginning in 2011.
- Represented the province in the April 1, 2012 Employee Transition of Public Health Inspectors from the City of Winnipeg to the province and has ongoing representation of the province in the employee transition of civil servants of The Property Registry to Teranet Manitoba LP.
- Represented the government and a number of Crown agencies before boards of arbitration concerning several rights issues involving both contract interpretation as well as discipline and dismissal matters. In addition, staff managed the interests of the province before the Manitoba Human Rights Commission on a number of human rights cases and before the Manitoba Labour Board on a number of jurisdictional issues. Staff continued to conduct a series of training sessions for line managers and human resource professionals on the topics of Grievance and Discipline Handling and Managing Under a Collective Agreement.

3(a) Treasury Board Secretariat	Actual 2012/2013 \$(000s)	Estimate 2012/2013 FTEs	2012/2013 \$(000s)	Variance Over/(Under) \$(000s)	Expl. No.
Expenditures by Sub-Appropriation					
Salaries and Employee Benefits	5,629	72.00	5,994	(365)	
Other Expenditures	1,451		1,025	426	1
Total Sub-Appropriation	7,080	72.00	7,019	61	

1. Over-expenditure is primarily due to implementation of various government-wide initiatives.

Francophone Affairs Secretariat

The Francophone Affairs Secretariat advises the Manitoba government and the minister responsible for Francophone Affairs on the development of government services offered in French and on matters relating to the French Language Services (FLS) policy in general.

The Secretariat guides, monitors, seeks and facilitates the implementation of the Government of Manitoba's FLS policy in a manner consistent with the concept of active offer and makes recommendations to that effect. The Secretariat's mandate applies to all administrative bodies covered by the FLS policy.

The Secretariat provides assistance and direction to the administrative bodies covered by the Manitoba government's FLS policy and serves as a liaison between the government and Francophone organizations in the province. Since April 1, 2008, the Secretariat has been administratively attached to the Treasury Board Secretariat.

Results:

- Co-ordinated the inclusion of projects to be funded in 2012/2013 under the Canada-Manitoba Agreement on French Language Services (CMAFLS), a cost-sharing agreement where Manitoba's \$1.4 million contribution is matched by the federal government.
- Negotiated the next five-year CMAFLS with Canadian Heritage.
- Contributed, along with Manitoba Culture, Heritage and Tourism and the Manitoba Arts Council, to the funding program *L'Art en moi*, that uses art to support the identity building of Manitoba's Francophone communities. The initiative was awarded federal matching of \$134,714 over two fiscal years (\$59,714 in 2012/2013 and \$75,000 in 2011/2012) via the Cultural Development Fund and administered through the CMAFLS.
- Contributed a total of \$28,500 toward six projects funded under the Agreement for Co-operation and Exchange between the governments of Quebec and Manitoba and \$17,750 toward four projects funded under the FLS component of the Memorandum of Understanding on Interprovincial

Co-operation between the governments of Manitoba and New Brunswick. This allowed a number of Franco-Manitoban organizations to benefit from exchanges, mentoring, training and sharing of expertise.

- In co-operation with Federal-Provincial Relations, participated in the implementation of certain aspects of the Memorandum of Understanding with Lower Normandy, a region in northwestern France, to strengthen economic, cultural and historical ties.
- Participated in a number of conferences at the national and international levels, including the Ministerial Conference on the Canadian Francophonie held in Edmonton, Alberta, June 26 to 27, 2012; the *Sommet de la Francophonie* (Francophonie Summit) held in Kinshasa, Democratic Republic of Congo in October 2012; and actively participated on the Intergovernmental Network of the Canadian Francophonie.
- Promoted the services offered in the six Bilingual Service Centres (BSCs) operating in rural and urban regions of Manitoba and organized outreach activities in the different communities; a promotional pamphlet was developed for each BSC to advertise its various services; and the 10th Anniversary of the establishment of the first BSC.
- Experienced a 62 per cent increase in public access computer usage at the BSCs for job search and community events and grant application research.
- *The Bilingual Service Centres Act/Loi sur les centres de services bilingues*, designed to guarantee a permanent role for the BSCs, received royal assent and came into force on June 14, 2012.
- Continued the partnership between the BSCs and the Société franco-manitobaine's 233-ALLÔ Information Centre, ensuring seamless information and services between the community and government bodies.
- Provided direction, consultation, analytic and planning support to 34 administrative bodies (including 19 departments, 10 Crown corporations, five Crown Agencies and Independent Offices of the Legislative Assembly and Manitoba Executive Council) via the Secretariat's FLS facilitator and coordinator team.
- Five of the administrative bodies taking part in the pilot project for developing five-year Strategic FLS Plans have completed their plans and are working on their one-year operation plans.
- Pursued the *Bonjour-Hello* promotional campaign on Manitoba's active offer of services in French.
- On February 19, 2013 Premier Selinger announced the availability of bilingual licence plates in recognition of Manitoba's deep French roots and proud heritage.
- Co-ordinated 153 registrations for French language training, an increase of 2 per cent over the previous fiscal year: evening and weekend programs for government employees; six employees participating in the pilot project involving French language training during the workday completed the final level of the PFL₂ Program; approximately 12 employees participated in the next phase of *Maintien-perfectionnement*; and tutoring for five individuals.
- Created a "Franco-fun" club in partnership with Organization and Staff Development to promote and encourage bilingual government employees to participate in various French-speaking activities.
- Dealt with six complaints as well as various issues raised by the public regarding FLS.
- Updated the Secretariat's website and added new content in both official languages.
- Produced the Report on French Language Services 2011/2012.
- The selection committee for the *Prix Ronald-Duhamel – Ronald Duhamel Award* met in March 2013 as part of *Les Rendez-vous de la Francophonie*, to choose the next recipient; the Prix-Award was created to recognize an employee or group of employees of a government or quasi-governmental body at the federal, provincial or municipal level for distinguished service to Manitoba's Francophone community.
- As part of the *AccessManitoba* team, four employees of the Francophone Affairs Secretariat were recipients of the 14th Annual Manitoba Service Excellence Awards, which recognize individuals and teams for high achievement in delivering and improving services to Manitobans and their communities.

3 (b) Francophone Affairs Secretariat

Expenditures by Sub-Appropriation	Actual 2012/2013 \$(000s)	Estimate 2012/2013 FTEs	Variance Over/(Under) \$(000s)	Expl. No.
Salaries and Employee Benefits	948	16.00	1,084	(136)
Other Expenditures	599		771	(172) 1
Total Sub-Appropriation	1,547	16.00	1,855	(308)

1. *Under-expenditure is mainly due to the delay in the construction of the St. Laurent's Bilingual Service Centre.*

PRIORITIES AND PLANNING

Priorities and Planning Committee of Cabinet Secretariat

The Priorities and Planning Committee of Cabinet, supported by a small Secretariat staff group, serves as the key co-ordination body for the government's strategic planning cycle, major policy initiatives, and key community and economic development projects. The Committee provides a focused decision-making process for developing and updating priority strategies and advancing high priority and cross-departmental initiatives geared at meeting the needs of Manitoba families, providing strong services, and growing the economy and jobs.

Results:

- Provided timely and effective policy advice and services to the Priorities and Planning Committee of Cabinet.
- Timely and thorough analysis of information and submissions for Committee members.
- Co-ordination and leadership of major policy initiatives and key community and economic development projects across a broad cross-section of departments and Crown agencies.

4 (a) Priorities and Planning Committee of Cabinet Secretariat

Expenditures by Sub-Appropriation	Actual 2012/2013 \$(000s)	Estimate 2012/2013 FTEs	Variance Over/(Under) \$(000s)	Expl. No.
Salaries and Employee Benefits	1,239	13.00	1,425	(186)
Other Expenditures	421		307	114 1
Total Sub-Appropriation	1,660	13.00	1,732	(72)

1. *Over-expenditure is essentially due to a one-time cost related to office relocation and incremental/unbudgeted accommodation charges.*

Premier's Economic Advisory Council

The Premier's Economic Advisory Council (PEAC) is a broad-based group of 31 volunteers that provide confidential and action-oriented advice to the Premier on a wide range of economic issues. PEAC is made up of leaders from the private sector, labour, academics, researchers, Aboriginal and community leaders and also solicits input from the broader community.

Results:

- PEAC and its staff undertook a variety of initiatives to fulfil its mandate.
- Developed recommendations for the Premier on the National Research Council Office closure in Winnipeg.
- Re-instatement of a Premier's Design Award with the Manitoba Association of Architects, tourism and mining industry recommendations.

- Hosted a Skills Summit to increase Manitoba's workforce by 75,000 workers by 2020.

4 (b) Premier's Economic Advisory Council	Actual 2012/2013 \$(000s)	Estimate 2012/2013 FTEs	Variance Over/(Under) \$(000s)	Expl. No.
Expenditures by Sub-Appropriation				
Salaries and Employee Benefits	193	2.00	197	(4)
Other Expenditures	229		219	10
Total Sub-Appropriation	422	2.00	416	6

COSTS RELATED TO CAPITAL ASSETS

The appropriation provides for the amortization and interest expense related to capital assets.

5 Costs Related to Capital Assets

Expenditures by Sub-Appropriation	Actual 2012/2013 \$(000s)		Estimate 2012/2013 FTEs	2012/2013 \$(000s)	Variance Over/(Under) \$(000s)	Expl. No.
Amortization Expense	2,394			2,396	(2)	
Interest Expense	610			638	(28)	
Total Sub-Appropriation	3,004			3,034	(30)	

PART B CAPITAL INVESTMENT

Capital investment in Manitoba Finance provides development or enhancement of information technology systems and other capital assets.

Part B - Capital Investment		Actual 2012/2013 \$(000s)	Estimate 2012/2013 FTEs	Variance Over/(Under) \$(000s)	Expl. No.
Expenditures by Sub-Appropriation					
Information Technoloty Projects		-		500	(500) 1
Total Sub-Appropriation		-		500	(500)

1. *Under-expenditure is due to the deferral of the GenTax upgrade project.*

SUSTAINABLE DEVELOPMENT

The department is committed to the principles and guidelines set out in *The Sustainable Development Act* and works to incorporate them in department activities, programs and business practices.

The following activities continued throughout 2012/2013:

- The department maintained its sustainable development homepage on the Intranet as a department link to *The Sustainable Development Act* and the Green Procurement page of the Procurement Services branch, Manitoba Infrastructure and Transportation;
- Green products and recycled materials continue to be purchased where available including the purchase of recycled copy paper.
- The department continued the recycling of various materials.
- Department staff assigned fleet vehicles continue to use ethanol-blended gasoline where available.
- Department staff participated in the annual Commuter Challenger to promote active and sustainable transportation choices.
- Reduction in the amount of printed material as more documentation becomes available on the internal and external departmental website.

**Part A – Operating Expenditure
Department of Finance
Reconciliation Statement**

Details	\$000s
2012/2013 Main Estimates	326,081
Allocation of Funds from:	
- Enabling Appropriations	850
- Internal Service Adjustments	48
2012/2013 Estimate	326,979

Manitoba Finance

Part A: Expenditure Summary by Appropriation

for the fiscal year ended March 31, 2013 with comparative figures for the previous fiscal year (\$000s)

Estimate 2012/2013	Appropriation	Actual 2012/2013	Actual 2011/2012	Increase (Decrease)	Explanation Number
	07- 1 CORPORATE SERVICES				
37	(a) Minister's Salary	37	33	4	
	(b) Executive Support				
985	Salaries and Employee Benefits	945	886	59	
116	Other Expenditures	185	106	79	1
	(c) Financial and Administrative Services				
737	Salaries and Employee Benefits	627	674	(47)	
104	Other Expenditures	106	87	19	
	(d) Information Technology Management				
647	Salaries and Employee Benefits	522	594	(72)	
109	Other Expenditures	164	108	56	2
19	(e) Tax Appeals Commission	14	11	3	
34	(f) Independent Administrator	43	37	6	
2,788	Subtotal 07- 1	2,643	2,536	107	
	07- 2 FISCAL AND FINANCIAL MANAGEMENT				
	(a) Treasury				
1,989	Salaries and Employee Benefits	1,889	1,793	96	
273	Other Expenditures	227	255	(28)	
	(b) Comptroller				
5,341	Salaries and Employee Benefits	4,830	5,198	(368)	
1,137	Other Expenditures	1,093	1,150	(57)	
(510)	Less: Recoverable from Other Appropriations	(571)	(566)	(5)	
	(c) Taxation				
12,682	Salaries and Employee Benefits	11,031	11,315	(284)	
4,438	Other Expenditures	2,695	2,601	94	
	(d) Taxation, Economic and Intergovernmental Fiscal Research				
2,933	Salaries and Employee Benefits	2,606	2,294	312	
1,553	Other Expenditures	1,459	1,372	87	
	(e) Insurance and Risk Management				
423	Salaries and Employee Benefits	411	396	15	
66	Other Expenditures	63	65	(2)	
2,611	Insurance Premiums	2,061	1,962	99	
(2,611)	Less: Recoverable from Other Appropriations	(2,061)	(1,962)	(99)	
	(f) Financial Institutions Regulation Branch				
756	Salaries and Employee Benefits	374	727	(353)	3
211	Other Expenditures	70	151	(81)	3
31,292	Subtotal 07- 2	26,177	26,751	(574)	

Manitoba Finance

Part A: Expenditure Summary by Appropriation

for the fiscal year ended March 31, 2013 with comparative figures for the previous fiscal year (\$000s)

Estimate 2012/2013	Appropriation	Actual 2012/2013	Actual 2011/2012	Increase (Decrease)	Explanation Number
07-3 TREASURY BOARD SECRETARIAT					
5,994	(a) Treasury Board Secretariat				
1,025	Salaries and Employee Benefits	5,629	5,955	(326)	
	Other Expenditures	1,451	1,054	397	4
1,084	(b) Francophone Affairs Secretariat				
771	Salaries and Employee Benefits	948	870	78	
	Other Expenditures	599	649	(50)	
8,874	Subtotal 07- 3	8,627	8,528	99	
07-4 PRIORITIES AND PLANNING					
1,425	(a) Priorities and Planning Committee of Cabinet Secretariat				
307	Salaries and Employee Benefits	1,239	1,416	(177)	
	Other Expenditures	421	273	148	5
197	(b) Premier's Economic Advisory Council				
219	Salaries and Employee Benefits	193	209	(16)	
	Other Expenditures	229	192	37	
2,148	Subtotal 07- 4	2,082	2,090	(8)	
07-5 COSTS RELATED TO CAPITAL ASSETS					
2,396	(a) Amortization Expense	2,394	2,422	(28)	
638	(b) Interest Expense	610	728	(118)	
3,034	Subtotal 07- 5	3,004	3,150	(146)	

Manitoba Finance

Part A: Expenditure Summary by Appropriation

for the fiscal year ended March 31, 2013 with comparative figures for the previous fiscal year (\$000s)

Estimate 2012/2013	Appropriation	Actual 2012/2013	Actual 2011/2012	Increase (Decrease)	Explanation Number
07-6 NET TAX CREDIT PAYMENTS					
297,319	(a) Education Property Tax Credit	314,712	312,983	1,729	
15,000	(b) Film and Video Production Tax Credit	22,721		22,721	
3,500	(c) Tuition Fee Income Tax Rebate Advance	1,807		1,807	
1,500	(d) School Tax Assistance for Tenants and Homeowners (55+)	1,043	1,139	(96)	
520	(e) Book Publishing Tax Credit	435		435	
300	(f) Cultural Industries Printing Tax Credit	2,149		2,149	
200	(g) Co-op Development Tax Credit	100		100	
200	(h) Interactive Digital Media Tax Credit	759		759	
1,123	(i) Federal Administration Fee	1,196	1,108	88	
	(j) Less: Recoverable from Education:				
(297,319)	Education Property Tax Credit	(314,712)	(312,983)	(1,729)	
(1,500)	School Tax Assistance for Tenants and Homeowners (55+)	(1,043)	(1,139)	96	
	Reconciliation: 2011/2012 adjusted actual prior to implementing accounting policy changes		46,501	(46,501)	6
20,843	Subtotal	29,167	47,609	(18,442)	6
07-7 PUBLIC DEBT					
1,159,511	(a) (1) Interest on Public Debt of Manitoba and related expenses	1,144,881	1,120,398	24,483	
220,421	(2) Interest on departments' capital assets	184,495	157,820	26,675	
16,800	(3) Interest on Trust and Special Funds	9,819	12,671	(2,852)	
	(b) Less: Interest and Other Charges to be received from:				
(75,119)	(1) Sinking Fund Investments	(74,253)	(79,844)	5,591	
(620,374)	(2) Manitoba Hydro	(610,620)	(580,578)	(30,042)	
(26,545)	(3) Manitoba Housing and Renewal Corporation	(29,222)	(27,359)	(1,863)	
(12,832)	(4) Manitoba Agricultural Services Corporation	(15,272)	(15,708)	436	
(12,147)	(5) Other Government Agencies	(23,747)	(25,053)	1,306	
(102,138)	(6) Other Loans and Investments	(98,920)	(98,048)	(872)	
(289,577)	(7) Other Appropriations	(253,650)	(227,888)	(25,762)	
258,000	Subtotal 07-7	233,511	236,411	(2,900)	7
326,979	Total Expenditures	305,211	327,075	(21,864)	

Expenditure Variance Explanations

for expenditures for the fiscal year ended March 31, 2013 as compared to figures for the previous fiscal year

Explanation Numbers:

1. Increase is due to one-time costs related to sale of The Property Registry.
2. Increase is due to one-time costs incurred for department-wide strategic planning and analysis.
3. Decrease is due to the transfer of the Financial Institutions Regulation Branch to Manitoba Financial Services Agency effective October 1, 2012.
4. Increase is primarily due to expenditures associated with corporate initiatives.
5. Increase is mainly due to one-time costs related to office relocation.
6. Decrease is primarily due to the changes recommended by the Public Sector Accounting Board regarding the presentation and treatment of tax concessions and tax transfers made through the tax system. Prior year actuals have not been adjusted to reflect the change in accounting policy.
7. Decrease is primarily due to the decrease in the long-term interest rates.

Manitoba Finance

Revenue Summary by Source

for the fiscal year ended March 31, 2013 with comparative figures for the previous fiscal year (\$000s)

Actual 2011/2012	Actual 2012/2013	Increase (Decrease)	Source	Actual 2012/2013	Estimate 2012/2013	Variance	Expl. No.
TAXATION							
2,682,506	2,846,037	163,531	a Individual Income Tax	2,846,037	2,796,300	49,737	1
423,598	456,447	32,849	b Corporation Income Tax	456,447	405,500	50,947	2
116,314	133,516	17,202	c Corporation Capital Tax	133,516	133,500	16	
69,493	78,324	8,831	d Insurance Corporations Tax	78,324	81,100	(2,776)	3
229	746	517	e Credit Unions and Caisses Populaires Profits Tax	746	800	(54)	
240,352	313,615	73,263	f Fuel Taxes	313,615	296,500	17,115	4
396,199	410,284	14,085	g Levy for Health and Education	410,284	410,000	284	5
71	71	0	h Mining Claim Lease Tax	71	72	(1)	
61,442	37,632	(23,810)	i Mining Tax	37,632	35,000	2,632	6
1,702,233	1,763,900	61,667	j Retail Sales Tax	1,763,900	1,834,100	(70,200)	7
248,591	252,058	3,467	k Tobacco Tax	252,058	256,400	(4,342)	8
3,588	4,562	974	l Environmental Protection Tax	4,562	3,200	1,362	
0	22	22	Succession Duty and Gift Tax	22	0	22	
5,944,616	6,297,214	352,598	Subtotal	6,297,214	6,252,472	44,742	
OTHER REVENUE							
1,169	747	(422)	a Insurance Act Fees and Cost Recovery	747	1,200	(453)	
4,758	35,423	30,665	b Recovery of Prior Years' Expenditures	35,423	5,500	29,923	9
283	9	(274)	c Trust and Loan Fees	9	245	(236)	
1,851	1,071	(780)	d Sundry	1,071	1,434	(363)	
8,061	37,250	29,189	Subtotal	37,250	8,379	28,871	
GOVERNMENT OF CANADA							
1,941,727	1,871,962	(69,765)	Equalization	1,871,962	1,872,000	(38)	10
999,852	1,056,305	56,453	Canada Health Transfer (CHT)	1,056,305	1,062,500	(6,195)	11
417,059	431,033	13,974	Canada Social Transfer (CST)	431,033	429,200	1,833	12
9,100	0	(9,100)	Transitional Payment- Corporation Capital Tax Phase-Out	0	0	0	13
2,320	2,321	1	Government of Canada Subsidy	2,321	2,298	23	
3,370,058	3,361,621	(8,437)	Subtotal	3,361,621	3,365,998	(4,377)	
9,322,735	9,696,085	373,350	Total	9,696,085	9,626,849	69,236	

Revenue Variance Explanations

for the fiscal year ended March 31, 2013

Explanation Numbers:

1. **Individual Income Tax:**

\$163,531 over 2011/2012 Actual
\$49,737 over 2012/2013 Estimate

Under the provisions of the Tax Collection Agreement between the Governments of Canada and Manitoba, based on estimates, Finance Canada makes advance payments for the tax years falling within the fiscal year. At the end of each year, adjustments to prior years are made based on tax returns assessed or reassessed by the Canada Revenue Agency.

Increase from 2011/2012 actual is primarily due to an increase of in-year entitlements as national taxable income increased.

Increase from 2012/2013 estimate is primarily due to an increase of in-year entitlements as well as positive prior year's adjustments.

2. **Corporation Income Tax:**

\$32,849 over 2011/2012 Actual
\$50,947 over 2012/2013 Estimate

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Increase in Corporation Income Tax is because national Corporate Taxable Income increased which was offset partially by a decline in the prior year's adjustments

Increase from 2012/2013 estimate is primarily due to the change in Public Sector Accounting Board rules starting in 2012/2013 that converted some tax credits from revenue offsets into expenditure items.

3. **Insurance Corporations Taxes:**

\$8,831 over 2011/2012 Actual
\$(2,776) under 2012/2013 Estimate

Increase from 2011/2012 actual is due to the reduction in 2012 Insurance Corporations Taxes revenue due to one-time issuance of Manitoba Public Insurance rebate.

Decrease from 2012/2013 estimate is primarily due to less than expected premiums written by the insurance companies.

4. Fuel Taxes: \$73,263 over 2011/2012 Actual
\$17,115 over 2012/2013 Estimate
- Increase from 2011/2012 actual is due to timing of remittances and Internal Fuel Tax Agreement refunds.
- Increase from 2012/2013 estimate is due to higher than projected fuel consumption and due to the reduction of the ethanol grant.
5. Levy for Health and Education: \$14,085 over 2011/2012 Actual
- Increase is due to employment growth and wage settlements.
6. Mining Tax: \$(23,810) under 2011/2012 Actual
- Decrease from 2011/2012 actual is due to the decreased profits by mining companies during 2012/2013 fiscal year.
7. Retail Sales Tax: \$61,667 over 2011/2012 Actual
\$(70,200) under 2012/2013 Estimate
- Increase from 2011/2012 actual is due to tax base expansion implemented in Budget 2012, and affected by the Public Sector Accounting Board changes starting in 2012/2013 that change certain tax credit expenditures into Retail Sales Tax revenue offsets.
- Decrease from 2012/2013 estimate is due to lower than forecast economic growth.
8. Tobacco Tax: \$3,467 over 2011/2012 Actual
\$(4,342) under 2012/2013 Estimate
- Increase from 2011/2012 actual is primarily due to an increase in tax rates implemented in Budget 2012.
- Decrease from 2012/2013 estimate is due primarily to reduced consumption.

9.	<u>Recovery of Prior Year's Expenditures:</u>	<u>\$30,665 over 2011/2012 Actual</u> <u>\$29,923 over 2012/2013 Estimate</u>
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This account reflects the recognition in the current year of revenue arising from the credit adjustment to expenditures made in a prior year for all government departments. Prior year credit adjustments are accounted for on a prospective basis, recognized as revenue in the year the adjustment becomes known and is measurable.

Increase from 2011/2012 actual and 2012/2013 estimate primarily reflects adjustments for prior year's expenditure accruals.

10.	<u>Equalization:</u>	<u>\$69,765 under 2011/2012 Actual</u>
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Decrease from 2011/2012 actual is due to Manitoba's relatively strong economic performance and also the payment caps imposed on the program by the federal government starting in 2009/2010 that limits Equalization growth to growth based on a three-year moving average of nominal GDP.

11.	<u>Canada Health Transfer:</u>	<u>\$56,453 over 2011/2012 Actual</u> <u>\$(6,195) under 2012/2013 Estimate</u>
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Increase from 2011/2012 actual is due to Manitoba's share of increased federal cash transfers for health in accordance with the 10-year Plan to Strengthen Health Care, an agreement signed by all First Minister's in 2004.

Decrease from 2012/2013 estimate is due to revisions to the data inputs (population, Basic Federal Tax and Corporate Taxable Income) used to derive provincial Canada Health Transfer (CHT) entitlements.

12.	<u>Canada Social Transfer (CST):</u>	<u>\$13,974 over 2011/2012 Actual</u> <u>\$1,833 over 2012/2013 Estimate</u>
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The Canada Social Transfer (CST) provides support to provinces and territories for social services, child care programming and post-secondary education. The 2007 federal budget moved the program to an equal per capita cash allocation methodology.

Increase is due to revisions to the population data used to derive provincial CST entitlements.

13.	<u>Transitional Payment - Corporation Capital Tax Phase-Out:</u>	<u>\$9,100 under 2011/2012 Actual</u>
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Decrease from 2011/2012 actual is due to no federal incentive payments for the Corporation Capital Tax Phase-Out, as Manitoba eliminated the general Capital Tax on December 31, 2010.

Manitoba Finance

Five-Year Operating Expenditure and Staffing Summary by Main Appropriation
 for the fiscal years ended March 31, 2009 to March 31, 2013*

	Main Appropriation	2008/2009		2009/2010		2010/2011		2011/2012		2012/2013	
		FTEs	\$000s								
Finance:											
07- 1	Corporate Services	29.25	2,377	29.25	2,400	30.25	2,450	31.00	2,536	31.00	2,643
07- 2	Fiscal and Financial Management	343.45	31,156	343.45	31,180	342.35	29,393	342.40	26,751	342.40	26,177
07- 3	Treasury Board Secretariat	86.00	8,211	88.00	8,516	89.00	8,492	88.00	8,528	88.00	8,627
07- 4	Priorities and Planning	15.00	1,732	15.00	2,666	15.00	2,250	15.00	2,090	15.00	2,082
07- 5	Costs Related to Capital Assets		3,497		3,379		3,271		3,150		3,004
Total Departmental Operating Appropriations		473.70	46,973	475.70	48,141	476.60	45,856	476.40	43,055	476.40	42,533
07- 6	Net Tax Credit Payments		41,335		41,941		46,347		47,609		29,167
07- 7	Public Debt (Statutory)		241,576		240,194		233,200		236,411		233,511
Total Appropriations		473.70	329,884	475.70	330,276	476.60	325,403	476.40	327,075	476.40	305,211

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* Actual expenditures have been adjusted for comparative purposes. Adjustments are for:

- i. 2008/2009: Transfer of Federal-Provincial Relations from Entrepreneurship, Training and Trade;
- ii. 2009/2010: Transfer for the consolidation of classification services to Treasury Board Secretariat from Conservation and Water Stewardship; Culture, Heritage and Tourism; Education; Family Services and Labour; Health; Healthy Living, Seniors and Consumer Affairs; Infrastructure and Transportation, Local Government, Justice and the transfer of Consumer and Corporate Affairs to Family Services and Labour;
- iii. 2010/2011: Transfer of Human Resource Services to the Civil Service Commission;
- iv. 2011/2012: Transfer of resources associated with ICT restructuring to Innovation, Energy and Mines and transfer of Financial Institutions Regulations Branch from Family Services and Labour;
- v. 2012/2013: Transfer of Priorities and Planning Committee of Cabinet Secretariat and Premier's Economic Advisory Council from Entrepreneurship, Training and Trade.
- vi. 2012/2013: Net Tax Credit Payments reflect changes recommended by the Public Sector Accounting Board regarding the presentation and treatment of tax concessions and tax transfers made through the tax system. (Prior year actuals have not been adjusted to reflect the change in accounting policy).

PERFORMANCE REPORTING

The following section provides information on key performance measures for the department for the 2012/2013 reporting year. This is the eighth year in which all Manitoba government departments have included a Performance Measurement section in a standardized format in their annual reports.

Performance indicators in departmental annual reports are intended to complement financial results and provide Manitobans with meaningful and useful information about government activities and their impact on the province and its citizens.

For more information on performance reporting and the Manitoba government visit www.manitoba.ca/performance.

Your comments on performance measures are valuable to us. You can send comments or questions to mbperformance@gov.mb.ca.

What is being measured and using what indicator?	Why is it important to measure this?	Where are we starting from (baseline measurement)?	What is the 2012/2013 result or most recent available data?	What is the trend over time?	Comments/recent actions/report links
Collection rate of statutory taxation revenues (excluding personal and corporate income taxes) owing to the province by comparing amounts written-off to amounts collected.	The effectiveness of these activities is directly related to the protection of provincial revenues in the face of technological change in the marketplace and increasingly aggressive tax planning by business and tax professionals.	99.8 per cent of accounts were collected in 2005/2006.	99.9 per cent of accounts were collected in 2012/2013.	The department strives to continually enhance collection enforcement legislation and processes which should result in the write-off percentage remaining relatively consistent at this level over time.	
The province's financial management on a summary basis using an unqualified audit opinion that maintains the financial reputation of the province.	Audits are provided by the Auditor General of Manitoba, an arm's length officer of the Legislature, and are considered an important tool in ensuring transparency.	2008/2009 Public Accounts - Unqualified audit opinion.	2011/2012 Public Accounts - Unqualified audit opinion.	The province has consistently achieved an unqualified audit opinion since 1999/2000.	

What is being measured and using what indicator?	Why is it important to measure this?	Where are we starting from (baseline measurement)?	What is the 2012/2013 result or most recent available data?	What is the trend over time?	Comments/recent actions/report links
The province's ability to borrow at a cost-effective rate by examining the credit rating for the province.	This measure is a key independent, third-party assessment of the province's credit-worthiness and is an important consideration for investors in Manitoba government bonds and other securities.	<p>Ratings as at March 31, 2002 are:</p> <ul style="list-style-type: none"> • Aa3 (Stable) Moody's Investors Service • AA- (Stable) Standard & Poor's • A (Positive Outlook) Dominion Bond Rating Service 	<p>Ratings as at March 31, 2013 are:</p> <ul style="list-style-type: none"> • Aa1 (Stable) Moody's Investors Service • AA (Stable) Standard & Poor's • A (High) (Stable) Dominion Bond Rating Service 	Manitoba continues to maintain its reputation for fiscal responsibility. This performance has been reflected by means of six credit rating improvements since 2002.	Credit rating agencies acknowledge that the current economic environment will impact net debt to GDP ratios of provinces but the implementation of Manitoba's economic recovery plan has resulted in stable credit ratings.

The Public Interest Disclosure (Whistleblower Protection) Act

The Public Interest Disclosure (Whistleblower Protection) Act came into effect April 2007. This law gives employees a clear process for disclosing concerns about significant and serious matters (wrongdoing) in the Manitoba public service, and strengthens protection from reprisal. The Act builds on protections already in place under other statutes, as well as collective bargaining rights, policies, practices and processes in the Manitoba public service.

Wrongdoing under the *Act* may be: contravention of federal or provincial legislation; an act or omission that endangers public safety, public health or the environment; gross mismanagement; or knowingly directing or counselling a person to commit a wrongdoing. The *Act* is not intended to deal with routine operational or administrative matters.

A disclosure made by an employee in good faith, in accordance with the *Act*, and with a reasonable belief that wrongdoing has been or is about to be committed is considered to be a disclosure under the *Act*, whether or not the subject matter constitutes wrongdoing. All disclosures receive careful and thorough review to determine if action is required under the *Act*, and must be reported in a department's annual report in accordance with Section 18 of the *Act*.

The following is a summary of disclosures received by Manitoba Finance for fiscal year 2012/2013.

Information Required Annually (per Section 18 of the Act)	Fiscal Year 2012/2013
The number of disclosures received and the number acted on and not acted on. <i>Subsection 18(2)(a)</i>	NIL
The number of investigations commenced as a result of a disclosure. <i>Subsection 18(2)(b)</i>	NIL
In the case of an investigation that results in a finding of wrongdoing, a description of the wrongdoing and any recommendations or corrective actions taken in relation to the wrongdoing, or the reasons why no corrective action was taken. <i>Subsection 18(2)(c)</i>	NIL

